

Contract Management in the Procurement Process



*Better Planning =
Better Contracts*

Why Plan?

- **Define what your agency needs**
- **Build those requirements into your Bid/RFP and Contract**
- **Allow sufficient time for procurement and contracting**
- **Allow sufficient time for the contractor to perform**
- **Contract administration**

Purpose

- **Get what you need**
- **Avoid unexpected delays**
- **Anticipate things that could change**
- **Manage contractual risk**



Before

- **Brainstorm the Scope**
- **Brainstorm Potential Risks**
- **Use Risk Management Analysis Matrix to select appropriate risk transfer provisions**
- **Customize Bid/RFP and contracts**
- **Consult procurement, legal counsel, or risk management while planning**

During

- **Carefully consider all questions regarding Indemnification, Limitation of Liability, Insurance**
- **Consult procurement, legal counsel, and risk management**
- **Amend the Bid/RFP and draft contract if necessary**
- **Customize Bid/RFP Amendment Templates**

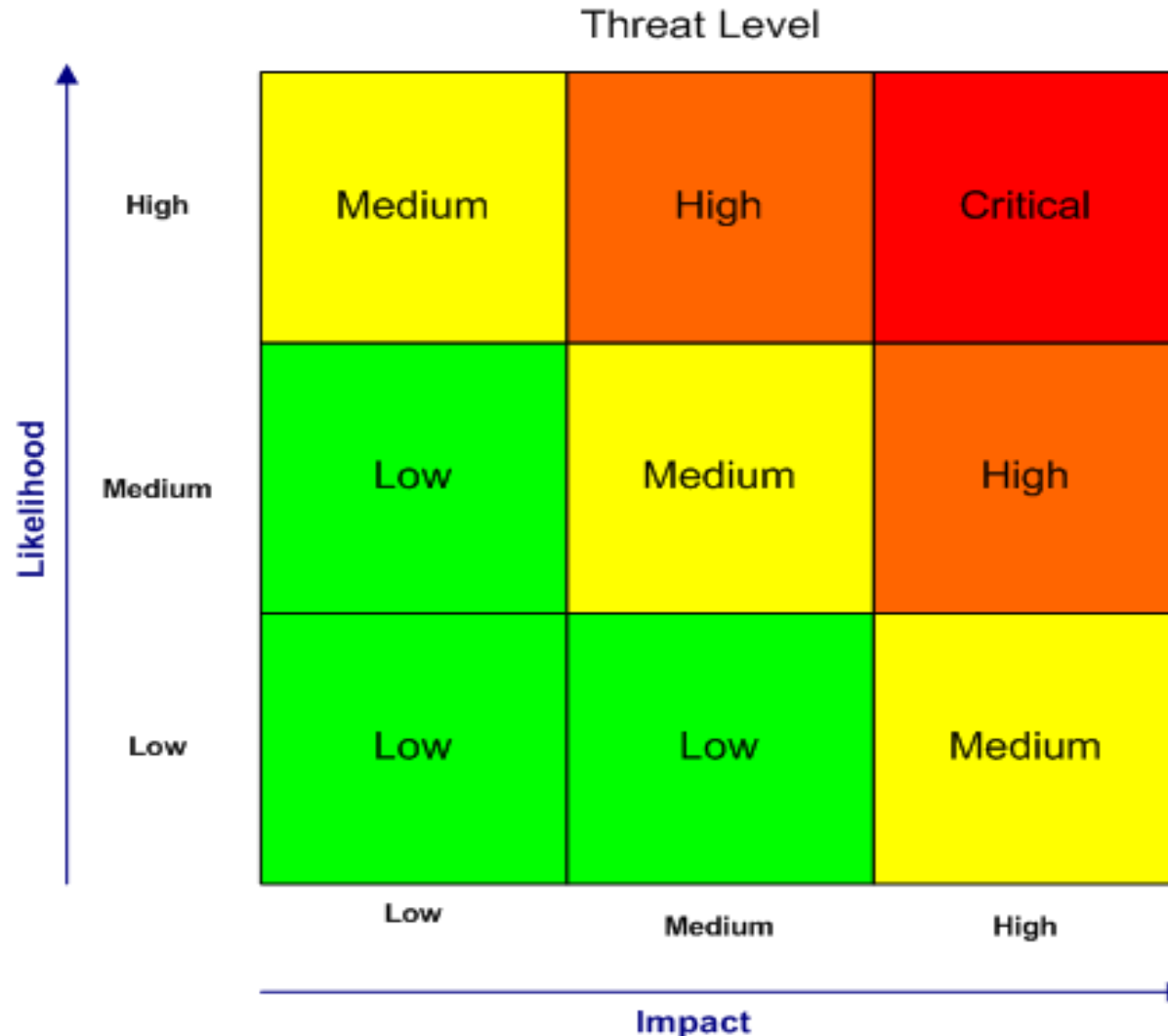
Award

- **Contract negotiation team: legal counsel, procurement, risk management, ITD**
- **Substantive modifications to risk transfer provisions not allowed**
- **Limitation of Liability approval**
- **Insurance Certificates and Additional Insured Endorsements**

After Award

- **Contract Administration**
- **Ensure satisfactory performance**
- **Resolve problems**
- **Amend contracts when needed, if authorized by the contract terms**
- **Effectively manage contract risk**

Contract Risk Matrix



After Award

- **Good contract administrative is active contract administration**
- **Maintain quality control**
- **Demand corrective action**
- **Consult legal counsel, procurement, risk management**
- **Cure Letter Template**

Conclusion

Allow adequate time for the process

- **Time to thoroughly plan the project**
- **Time for procurement**
- **Time for contract negotiation**
- **Time for Legal Counsel and Risk Management Review**
- **Time Contractor Performance**

Conclusion

- **Plan each project**
- **Plan your year - create a schedule of your contracts**
- **Use the Risk Matrix to customize bid/RFP and contract templates to fit the situation**
- **Seek assistance early**
- **Better planning will result in better contracts**

Resources

- **Attorney General's Office.**
- **State Procurement Office.**
- **Risk Management.**



Questions?

Thank you

